

FY06 Policy & Procedure Manual

Commissioner of the Revenue

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Additional Positions

Compensation Board Policy

The General Assembly did not approve any new positions for Commissioners of the Revenue offices in FY06.

Career Development for Commissioners

Compensation Board Policy

Commissioners of the Revenue may certify and re-certify participation in the Career Development Program during the February 1 budget request process.

2005 Appropriation Act Item 70

C. Out of the amounts included in this Item is \$84,272 the first year and \$198,978 the second year from the general fund for the Compensation Board to establish a Commissioners' Career Development Program. The Compensation Board shall adopt minimum criteria to include initial and continuing education requirements; specify the base duties, state income tax duties, and real estate services; and adoption of Standards of Accountability. Following receipt of the Commissioner's certification that the minimum requirements of the program have been met the Compensation Board shall increase the annual salary for a twelve-month period.

The 2004 General Assembly approved funding for a Career Development Program for Commissioners of the Revenue. Original certifications and re-certifications are a part of each year's February 1 budget request process. The associated salary increases ranging from 4.7% to 9.3% become effective the following December 1 for a full year. Officers that certify having met the minimum criteria for the career development program by February 1, 2005, are anticipated to receive a salary increase, effective December 1, 2005 through November 30, 2006.

The percent of salary increase depends on the services provided by the Commissioner of the Revenue in addition to meeting the minimum criteria of the Career Development Program:

<i>Salary Increase</i>	<i>Service Provided</i>
4.7%	Minimum criteria
7.0%	Minimum criteria AND state income tax OR Real estate tax services
9.3%	Minimum criteria AND state income tax AND Real estate tax services

For more information regarding criteria for the Career Development Program for Commissioners of the Revenue click http://www.scb.state.va.us/docs/cdp_cor.pdf.

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Career Development for Deputy Commissioners

2005 Appropriation Act
Item 70

D. Out of the amounts included in this item is \$20,273 the first year and \$52,571 the second year from the general fund for the Compensation Board to implement a Deputy Commissioners' Career Development Program. The Compensation Board shall adopt minimum criteria for the Deputy Commissioners' Career Development Program. The minimum criteria shall include initial and continuing education requirements for Deputy Commissioners and performance criteria.

Compensation Board Policy

A Commissioner of the Revenue who selects Deputy Commissioners for the Career Development Program certifies that the minimum requirements of the program have been met and then submits the certification as part of the February 1 budget request to the Compensation Board.

Original certification and re-certifications that the minimum requirements of the program have been met and identification of deputies meeting the criteria for the Deputy Commissioner Career Development Program are a part of each year's February 1 budget process, and the associated salary increase of 9.3% becomes effective the following December 1 for a full 12 months. The first opportunity for Commissioners of the Revenue to make this certification and select Deputy Commissioners for participation in career development was the FY06 budget request due on February 1, 2005, with an effective date of December 1, 2005, for a salary increase.

For more information regarding the criteria and other details of the Career Development Program for Deputy Commissioners of the Revenue see the Compensation Board web site at <http://www.scb.state.va.us/docs/deputycorcdp.pdf>.

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Duties

Code of Virginia §15.2-1636

The voters in every county and city shall elect a commissioner of the revenue, unless otherwise provided by general law or special act. The commissioner of the revenue shall exercise all the powers conferred and perform all the duties imposed upon such officer by general law. The may perform such other duties not inconsistent with his office, as the governing body may request. He shall be elected for a term of four years.

Compensation Board Policy

The duties of the Commissioner of the Revenue are to assess property, income and license taxes, to collect and audit tax returns, and to keep an accurate accounting of all delinquent tax accounts.

The local governing body may request performance of other duties consistent with that of a Commissioner of the Revenue.

Like all Constitutional Officers, except for Clerks, the Commissioner of the Revenue is elected to a term of four years.

Various Code of Virginia sections outline the duties of the Commissioner of the Revenue:

- Assess the proper license taxes for any person conducting a business;
- Annually ascertain and assess on January 1 the fair market value of all property and income for all subjects of taxation in the locality;
- Prior to the date when the tax is due, provide in writing to the taxpayer: (i) a description of property and amount of tax assessment; (ii) the valuation method used; (iii) the due date for payment of taxes; and (iv) the procedure available and records required to appeal the tax assessment.
- Render taxpayer assistance to the preparation of any return, schedule convenient public places within the county or city to receive the state and local tax returns, and advertise in local newspaper at least 30 days in advance of the due date for tax returns the location of the Commissioner's office and the business hours of the office;
- Obtain a tax return from every individual and fiduciary within his jurisdiction who is liable under the law to file a tax return and audit the tax returns as soon as practicable and assess the amount of taxes which appears to be due;
- Within 2 banking days after the tax return is filed and received deliver the tax payment to the Treasurer;
- Secure a tax return from every delinquent individual or fiduciary within his jurisdiction. After 15 days make an estimate of income and report to the Department of Taxation the delinquent taxes, penalties, and interest.
- Keep the original land book in the Commissioner's office, deliver a copy of the land book on September 1 each year to the Department of Taxation with the tax rate on real property entered, and deliver a second copy of the land book to the office of the Circuit Court Clerk; and
- County Commissioner to certify to a city Commissioner a list of all real estate within the annexed territory as it appears in the land book.

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Equipment Funding

Code of Virginia
§15.2-1636.14

E. In the case of each county and city commissioner of the revenue the cost of such office furniture, office equipment and office appliances shall be paid in the proportion of two-thirds by the county or city and one-third by the Commonwealth.

Compensation Board Policy

The Compensation Board reimburses the local governing body one-third of the amount it approves, less the fiscal stress factor, for approved equipment purchases.

Due to budget reductions, no funding is provided in FY06 for equipment purchases.

A FY06 equipment budget request spreadsheet is located on the Compensation Board web site at <http://www.scb.virginia.gov/docs/cafy06equip.pdf>. This list provides amounts requested by Commissioners of the Revenue in their FY06 budget requests. Some of these requests were approved as early funding in FY05. Amounts that were approved are located in the Board minutes for January through May 2005 on the Compensation Board web site at <http://www.scb.state.va.us/minutes.html>. Amounts approved as early funding in FY05 are not available for expenditure or reimbursement in FY06.

Fringe Benefits

Code of Virginia
§15.2-1636.14

The salaries, expenses, other allowances of treasurers in the counties and cities shall be paid in the proportion of one-half by the respective counties and cities one-half by the Commonwealth.

Compensation Board Policy

The Compensation Board reimburses local governing bodies for fringe benefits for Commissioners of the Revenue and their staff at the same percentage it reimburses approved salary amounts.

The Compensation Board provides reimbursement for fringe benefits based on actual salary amounts reimbursed, generally 50% of the approved amount, at the following rates:

- VRS retirement contributions at the locality's employer share contribution rate, or 3.91%, whichever is less.
- FICA at 7.65% of the taxable portion of the salary for permanent positions and hourly wage employees.

In FY06, contributions for VRS Group Life insurance will not be required, and consequently, will not be reimbursed by the Compensation Board.

See the section entitled **Fringe Benefits** in the general section of this manual for more detailed information regarding benefits of Constitutional Officers.

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Local Governing Body Concurrence

Code of Virginia
§15.2-1636.16

The budgets fixed by the Compensation Board may thereafter be amended by the Compensation Board upon the request of the officer or local governing body or when changed circumstances so require. No budget shall be increased if any portion of the increase is payable from local funds without the concurrence of the local governing body.

Compensation Board Policy

The local governing body is required to provide written concurrence with any Commissioner of the Revenue's request to increase their budget or transfer budgeted funds to equipment expense.

For more information regarding fund transfers see the section entitled **Fund Transfer Request** in the general section of this manual.

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Office Expenses: Paid by Compensation Board

Code of Virginia §15.2-1636.15

A. Whenever a county or city attorney for the Commonwealth, treasurer or commissioner of the revenue purchases office furniture, office equipment, office appliances, tax tickets for state and local taxes collectible by county and city treasurers, stationery, office supplies, postage, data processing services, printing, advertising, telephone or telegraph service, or repairs to office furniture and equipment in conformity with and within the limits of allowances duly made and contained in then current budget of any such officer, the invoices therefore, after examination as to their correctness, shall be paid by the county or city directly to the vendors, and the Commonwealth shall monthly pay the county or city the state's proportionate part of the cost of such items on submission by such officer to the Compensation Board of duplicate invoices and such other information or evidence as the Compensation Board may deem necessary.

Compensation Board Policy

The Compensation Board reimburses 50% of the budgeted amount for office expenses of Commissioners of the Revenue.

Base budgets for office expenses are set at the same level as approved July 1, 2004, as adjusted through any base budget transfer requests through FY05. The Compensation Board will reimburse the following office expenses:

- Internet access costs (line charges, ISP costs or locality service charges);
- Stationary, postage;
- Printing
- Data processing services;
- Telephone service; and
- Repairs to office furniture and equipment.

If you have any questions concerning whether an expense is reimbursable by the Compensation Board please call prior to the expenditure.

For more information regarding office expenses see section entitled **Professional Associations**.

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Office Expenses: Paid by Locality

Code of Virginia §15.2-1636.14

F. If any county or city commissioner of the revenue uses any forms, sheets, or books of any kind for the assessment or collection of state or local taxes or levies, or in connection with the assessment or collection of such taxes or levies, in lieu of the standard forms, sheets or books furnished by the Commonwealth, no part of the cost of such forms, sheets or books shall be paid by the Commonwealth.

G. The cost of all forms, sheets and books of all kinds used for the assessment or collection of local license and local excise taxes or used in connection with the assessment or collection of local license and local excise taxes, shall be paid entirely out of the local treasury, including the cost of any tags, stamps, stickers, or other devices intended to evidence the payment of any such local license or local excise taxes.

H. The cost of all forms, sheets and books of all kinds used in the ascertainment, billing or collection of charges for utility or other special services rendered by a county or city. The governing body of each county and city shall provide suitable office space for commissioner of the revenue, together with the necessary heat, light, water, and janitorial service.

Compensation Board Policy

The local governing body is responsible for the following office expenses for a Commissioner of the Revenue.

The locality is responsible for funding the following office expenses:

- Notary Seal, fees or application fee;
- Office space or rent, heat, water, light, and janitorial services;
- Chair mats or calculator maintenance contracts;
- Subscription to periodicals, newspapers, or Code of Virginia;
- Name tags, desk signs, or business cards;
- Tags, stamps, decals, stickers, or other devices intended to evidence the payment of local license or local excise tax assessment or collection;
- Custom software; and

The locality is responsible for all custom forms, sheets, or books for assessment or collection of state or local taxes or levies in lieu of standard forms, sheets, and books supplied by the Commonwealth:

- Applications or building permits;
- Custom check registers;
- Employee earnings notice;
- Real estate forms;
- Delinquent real estate tax statements;
- Personal property forms;
- Billing forms or collection of charges for utility or other special services rendered by a county or city;
- Vehicle registration forms; and
- Yard sale or garage sale applications.

The locality is responsible for services:

- Audit services;
- Telephone equipment installation costs; and

If you have any questions concerning whether an expense is reimbursable by the Compensation Board please call prior to the expenditure.

For more information regarding office expenses see section entitled **Professional Associations**.

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Professional Associations

Compensation Board Policy

Reimbursement for attendance at non-Compensation Board-sponsored training events, professional associational meetings, or membership dues will not be provided as additional allowances, but are reimbursed through office expense funds available.

The Compensation Board reimburses for:

- Commissioners of the Revenue Association of Virginia (CRAV);
- Local Government Officials' Conference (LGOC); and
- Virginia Association of Locally-Elected Constitutional Officers (VALECO).

A \$100 reimbursement is limited to the principal officer only. VALECO dues are reimbursed for the principal officer only.

For more information regarding office expenses see section entitled **Office Expenses**.

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Salary

2005 Appropriation Act Item 70

The annual salaries of commissioners of the revenue shall be as hereinafter prescribed.

Code of Virginia
§15.2-1636.14

B. The salaries, expenses, other allowance of commissioners in the counties and cities shall be paid in the proportion of one-half by the respective counties and cities one-half by the Commonwealth.

D. In no event shall the amount paid by each city and county as its share of the salary of its respective commissioner in any fiscal year exceed the actual dollar amount paid by such city and county for such salaries during the fiscal year ending June 30, 1980.

§58.1-3106

The compensation due to a commissioner shall not be paid unless he has punctually performed his duties in reference to the assessment of property and licenses and had made all reports required within the time prescribed by law or can show to the satisfaction of the Department of Taxation a sufficient reason for his delay.

Compensation Board Policy

The local governing body's share of the salary for Commissioners of the Revenue is 50% of the FY1980 salary. The Commonwealth's share of the salary is 50% of the 1980 salary plus 100% of all salary increases thereafter.

The Compensation Board uses an aggregate population estimates to determine the salary of the Commissioner of the Revenue who serves two or more localities.

The annual salaries of Commissioners of the Revenue are determined according to population estimates of the city or county in which they serve. Funding for salaries in the first half of FY06 will remain at current levels and at increased levels for the second half of the fiscal year. No funding is provided for performance-based pay increases for offices with performance evaluation plans in effect in their office.

In FY06, Commissioners of the Revenue and their Compensation Board-funded permanent employees will receive a 4.40% salary increase, effective December 1, 2005. The following are the population-based salaries for Commissioners of the Revenue for FY06.

<i>Population</i>	<i>December 1, 2004 to November 30, 2005</i>	<i>December 1, 2005 to June 30, 2006</i>
Less than 10,000	\$51,670	\$53,943
10,000 to 19,999	\$57,413	\$59,939
20,000 to 39,999	\$63,792	\$66,599
40,000 to 69,999	\$70,878	\$73,997
70,000 to 99,999	\$78,755	\$82,220
100,000 to 174,999	\$87,504	\$91,354
175,000 to 249,999	\$92,111	\$94,164
250,000 or more	\$104,671	\$109,277

The local governing body and the Compensation Board are instructed by the Code of Virginia to not compensate any Commissioner of the Revenue who is late in producing tax assessments of property, income, or licenses or the required reports unless he/she can show to the satisfaction of the Department of Taxation a valid reason for the delay.

Salary scales for Compensation Board-funded employees in Commissioners of the Revenue's offices for July 1 to November 30, 2005, are located at

http://www.scb.state.va.us/docs/Salary_Scales/fy05_cor_scale.pdf.

A history of salary increases approved by the General Assembly is located at

http://www.scb.state.va.us/docs/salary_history.pdf.

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Staffing Standards

2005 Appropriation Act
Item 63

F. Any new positions established in Item 63 of this act shall be allocated by the Compensation Board upon request of the constitutional officers in accordance with staffing standards and ranking methodologies approved by the Compensation Board to fulfill the requirements of any court order occurring from proceedings under §15.2-1636.8, Code of Virginia, in accordance with the provisions of Item 64 of this act.

Compensation Board Policy

The Compensation Board uses a staffing standards and staffing methodology to determine the number of positions in offices of the Commissioner of the Revenue.

The Compensation Board considers the following criteria when considering new positions in offices of the Commissioner of the Revenue:

1. The position(s) must be requested by the Commissioner of the Revenue as part of the Compensation Board's annual budget request process.
2. The position(s) requested must perform only statutorily prescribed duties of the Commissioner of the Revenue.
3. The office of the Commissioner of the Revenue must be connected to the city/county system or have such systems scheduled for installation within the next 12 months.
4. Funds and positiona(s) must be appropriated by the General Assembly.
5. The Compensation Board will use the staffing methodology and weighted three-year average workload criteria, developed by the Workload Study Committee for their respective offices to determine the appropriate level of Compensation Board-funded staff support for each office requesting additional positions.
6. The Compensation Board will determine the number of additional position(s) allocated to any one office based upon criteria 1-5, inclusive, and additional position(s) will be allocated in the order of percentage of need. Offices with the highest percentage of need will receive positions first. The percentage of need is determined by calculating the percentage that the number of additional positions needed is of the total number of current positions.
7. Because the current staffing of offices of the Commissioner of the Revenue offices include hourly-wage staff expressed as Full-Time Equivalent (FTE) positions, any office receiving a new position(s) will not have its hourly-wage funds reduced to the equivalent of the salary of a new position(s).

Staffing standards for Commissioners of the Revenue are located on the Compensation Board web site at <http://www.scb.state.va.us/docs/fy05staffstd734.pdf>.

The methodology used to determine appropriate staffing levels in each office of the Commissioner of the Revenue was developed by the Workload Study Committee and adopted by the Compensation Board.

The methodology considers current Compensation Board funded positions and hourly wage funded employees, or FTE positions, and a weighted average or workload, as reported by Commissioners of the Revenue, is calculated. Workload elements and weights are as follows:

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Staffing Standards, continued

<i>Workload Elements</i>	<i>Weighted Factor</i>
Parcels	.08
Transfers	.50
Reassessments	1.25
Personal Property	.17
M & T / Business	.33
Mobile Homes	.33
Tax Relief	.50
Business License / MC	.50
Land Use	.50
Business Excise Tax	4.00
State Tax Returns	.33
Estimated Taxes	.17
Adjustments	.17
Cemetery Trust Accounts	8.00
Bank Franchise Tax Accounts	1.00
Public Service Corporation Accounts	2.00
Coal / Gas / Oil Severance & Mineral Tax Accts	2.00
Issuance of "No Fee" Decal	.17
Other Activities	.00

After determining the number of Compensation Board employees and the total number of hours worked each year per locality, a linear regression analysis was performed to determine a formula for a line of best fit and a model was created. The resulting formula that was derived is:

Staff Needed	=	.0002927* (hours of work each year)	+	1.7864
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This formula was used to determine the employees predicted to be needed to perform the work in any given locality based on the combined data trend of all other offices.

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Temporary (Hourly-Wage) Employees

Compensation Board Policy

The Compensation Board reimburses 50% of the budgeted amount for salaries for temporary (hourly wage) employees of Commissioners of the Revenue.

Base budgets for temporary (hourly wage) employee salaries are set at the same level as approved July 1, 2004, as adjusted through any base budget transfer requests during FY05.